

Business \$4,185
 Dentistry \$3,965
 Law \$4,425
 Medicine \$4,535
 Veterinary \$3,955

Graduate \$4,185
 Undergraduate \$3,965

PROFESSIONAL DEGREE PROGRAM FEES



CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

SUMMARY

This report seeks to facilitate the Commission's eventual consideration of a student fee policy for professional degree programs. It includes background information relating to the Commission's past actions on fee policy, statistics on current professional degree program fees at the State University and University and their respective sets of comparison institutions, consideration of possible policy options, and five directives to the Commission staff about gathering further information on the topic.

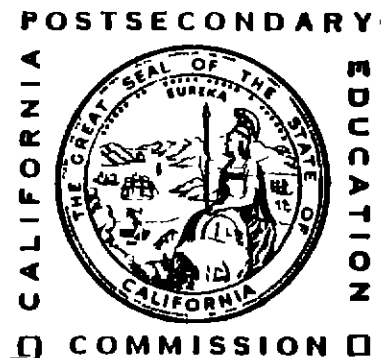
- 1. Consult with representatives of the California State University and the University of California to develop a mutually-agreed upon methodology for determining prior-year expenditures per full-time-equivalent student at the undergraduate and graduate-student levels and for professional degree programs.**
- 2. Once this methodology is determined, consult with representatives of the State University and the University to gather this expenditure information expeditiously, in time for its presentation at the Commission's December 1994 meeting.**
- 3. Develop added information and options to present to the Commission to assist it in determining which programs to include in a professional degree program policy.**
- 4. Continue to obtain information on fees at comparable institutions when possible.**
- 5. Continue to develop a long-term comprehensive student financial aid policy that addresses the needs of students enrolled in professional degree programs.**

The Commission adopted this report at its meeting on June 6, 1994, on recommendation of its Ad Hoc Committee on the Financing and Future of California Higher Education. Additional copies of the report may be obtained from the California Postsecondary Education Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938.

PROFESSIONAL DEGREE PROGRAM FEES

*A Report of the California
Postsecondary Education Commission*

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION
1303 J Street • Suite 500 • Sacramento, California 95814-2938





COMMISSION REPORT 94-9
PUBLISHED JUNE 1994

Contributing Staff Christopher W. Carter

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Contents

<i>Page</i>	<i>Section</i>
1	ONE Background and Actions to Date Relating to Student Fee Policy
1	Questions Concerning Professional School Fees to be Addressed
1	Legislative Direction to the Commission
2	The Commission's Principles to Guide Consideration of Student Fee Policies
3	The Commission's Past Actions on Student Fees
3	Governing Board Actions
4	The Philosophical Link Between Professional Degree Programs and Differential Fees
7	TWO Fees for Selected Professional Degree Programs at the University of California and 23 Comparison Institutions
7	Differential Fees at the University of California
7	Resident Tuition and Fees
13	Nonresident Tuition and Fees
18	Policies Used to Set Differential Fees

21 **THREE Fees for Selected Professional
 Programs at The California State
 University and 15 Comparison
 Institutions**

21 Resident Fees

22 Nonresident Fees

25 **FOUR Policy Questions, Options,
 and Directives**

25 Should the Commission Support Differential Fees
 for Professional Degree Programs?

25 What Disciplines Should be Included in a Professional Degree
 Differential Fee Policy?

26 What Policy Should Determine Differential Fees for Professional
 Degree Programs?

29 What Information is Needed to Decide Among the Options?

Displays

<i>Page</i>	<i>Number and Topic</i>
8	1 Annual Resident Tuition and Fees for Undergraduate Programs, Graduate Academic Programs, and Five Graduate Professional Programs at the University of California and Selected Comparison Institutions, 1993-94
9	2 Average Resident Tuition and Fees in Five Professional Programs as a Percent of Resident Graduate Program Fees at the University of California and Two Comparison Groups of Public Universities, 1993-94
11	3 Average Resident Tuition and Fees in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities, 1993-94
12	4 Average Fee Increase for Resident Students in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities, 1993-94
14	5 Annual Nonresident Tuition and Fees for Undergraduate Programs, Graduate Academic Programs, and Five Professional Programs at the University of California and Selected Comparison Institutions, 1993-94
15	6 Average Nonresident Tuition and Fees in Five Professional Programs as a Percent of Nonresident Graduate Program Fees at the University of California and Two Comparison Groups of Public Universities, 1993-94
16	7 Average Nonresident Tuition and Fees for 1993-94 in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities
17	8 Average Nonresident Fee Increases in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities, 1993-94
19	9 Policies That Comparison Institutions of the University of California Use to Set Professional School Fees
21	10 Average 1993-94 Resident and Nonresident Tuition and Fees for Students in Graduate Academic and Business Programs at the California State University and Its Public Faculty-Salary Comparison Institutions
22	11 Average Resident Tuition and Fees for Students in Graduate Business Programs at the California State University and Its 15 Public Faculty-Salary Comparison Institutions, 1993-94
23	12 Average Nonresident Tuition and Fees for Students in Graduate Business Programs at the California State University and Its 15 Public Faculty-Salary Comparison Institutions, 1993-94

1

Background and Actions to Date Relating to Student Fee Policy

The Commission presents this report as part of its ongoing work on the development of comprehensive, long-term student fee and financial aid policies for California -- in particular, to assist its deliberations on a student fee policy for graduate professional degree programs. With the exception of students in medicine and law at the University of California, graduate and professional degree program students at California's public universities currently pay systemwide fees identical to those paid by undergraduate students. The Commission must decide whether or not to adopt a policy whereby students in various professional degree programs should pay a differential fee in addition to the systemwide fee paid by other students.

Questions concerning professional school fees to be addressed

Three basic questions must be addressed in considering differential fees for graduate professional school programs:

1. Should California adopt a policy whereby students in selected graduate professional programs pay a differential fee?
2. If so, what graduate professional programs should be included in this policy?
3. What policy basis should be used to set differential fees?

To assist the Commission in addressing these questions, this report includes background on the Commission's completed and ongoing projects relating to fees and financial aid. It also includes a review of the actions taken by the State University Trustees and the University Regents relating to fees for professional degree programs. Further, the report includes information on professional program fees at the State University and University and their respective comparison institutions. Finally, the report concludes with options on professional degree program fee policy for the Commission to consider.

Legislative direction to the Commission

In 1991, the Legislature encouraged the Commission to rethink the State's policy on student fees when it enacted the first of the recent significant fee increases at the California State University and the University of California. Recognizing that it was beginning to depart from the principles of the Master Plan, the Legislature requested in Supplemental Report Language to the 1991-92 Budget Act that the Commission coordinate an intersegmental review of student fee and financial aid policies in California. It directed the Commission to work with a broad-based advisory committee to analyze the impact of alternative student fee and financial aid policies at the State's public colleges and universities and then submit recommendations to the Governor and Legislature.

**The Commission's
principles to guide
consideration of
student fee
policies**

The Commission has developed and adopted a series of principles to serve as the basis for its recommendations on student fee policy. These principles were adopted at the time that the Commission was considering undergraduate fees at the State's public universities, but the Commission's publications do not limit these principles to undergraduate fee policy at the State's public universities. They are presented here to facilitate consideration of the issue of professional program fees just as they did the issue of undergraduate student fees. These principles are as follows:

- ♦ Students, their families, and society share in the responsibility for financing the costs of a college education
- ♦ The State should bear the major share of the cost of instruction at public institutions of higher education because the one factor that truly distinguishes a public institution from a private one is that the government bears the primary responsibility for its operation. To require undergraduate students to pay a majority of the cost of instruction would mean abandoning the public nature of the institutions
- ♦ The unique characteristics of public colleges and universities as well as of the students they enroll should be recognized in developing the State's policy on student charges. For example, the California State University and the University of California are fundamentally different institutions in at least three ways -- (1) their unique missions, (2) the past academic performance of their students, and (3) the socioeconomic characteristics of these students. Further, the different missions of the two universities result in differences in their average cost of instruction, with the University's average cost of instruction being significantly higher than the State University's due to its exclusive responsibility for providing doctoral-level instruction. These distinguishing factors should play a critical role in determining their appropriate student charges
- ♦ Student charges should not increase simply to fill the budgetary gap caused by any reduction in the State's General Fund support
- ♦ Increases in student charges should be predictable so that students and their families can prepare for the costs of college attendance
- ♦ Grant aid should be made available to offset any increase in student charges for all financially needy students in order to ensure that educational opportunities are available to all students, irrespective of economic means
- ♦ The State's terminology used to describe student charges -- in particular, *tuition* and *fees* -- should be revised to reflect current reality and allow more effective use of revenue generated by these charges
- ♦ The original Master Plan principles of access, quality, affordability, and choice should be retained. To this end, the Commission should review the State's policy on student charges and financial aid at least every five years. This review

should, among other results, remind the State of its historic Master Plan goals that the Commission continues to support

**The Commission's
past actions
on student fees**

On June 27, 1993, the California Postsecondary Education Commission adopted a policy on undergraduate fees at the California State University and the University of California that has two major components

- ♦ First, base fees should be set as a percentage of the State's prior year instructional expenditures per student for students at all levels (undergraduate and graduate), with fees at the State University limited to no more than 30 percent of that cost, and fees at the University limited to no more than 40 percent
- ♦ Second, once fees are set based on the State's prior year instructional expenditures per student, they should be adjusted annually based upon the lesser of the annual change in the State's prior year instructional expenditures per student or the average of the Higher Education Price Index and the California Personal Per-Capita Income Index

The Commission adopted this second component of the policy in order to address the concern that the first component by itself would leave the State University and the University with no incentives to reduce their instructional costs or increase efficiency

The Commission has also taken a position against differential fees for graduate academic degree programs at the California State University and the University of California. The Commission has not yet, however, taken a position on fees for graduate professional degree programs at either of the two universities or on fees at the California Community Colleges

**Governing board
actions**

*University of
California Regents*

The Regents of the University of California have adopted a policy of charging differential fees for five professional degree programs -- medicine, dentistry, veterinary medicine, law, and business. According to the Regents' policy, "fees will increase over time until the total fees charged to students in each specified program are similar to the average fees charged at high quality, comparable public and private institutions with which the University competes for students." The Regents further declared that a minimum of one-third of the fee revenue generated should be used to provide financial aid and that the remaining revenue be used to sustain and enhance the quality of the professional school's academic programs and student services and to fund costs "related to instruction" within that professional school.

In their first action to implement this policy, the Regents approved a differential fee for new students in the selected programs of \$2,000 beginning in 1994-95. This charge would be in addition to the current Special Fee for Law and Medicine of \$376. In addition, the Regents agreed that differential fees for each new student in these professional schools would be the same for the duration of his or her enrollment in the professional degree program.

*California State
University Trustees*

The Trustees' student fee policy does not include any professional program differential fees, but rather includes a differential fee for all graduate students. According to the Trustees' policy, all graduate students would pay systemwide fees that are 150 percent of those paid by undergraduate students. The Trustees' policy would set undergraduate fees at one-third of the cost of education. The cost of education is calculated accounting for State General fund and student fee revenues per student for students at both the undergraduate and graduate levels. Since graduate education is more expensive to provide, an undergraduate paying one-third of the cost of education is likely paying more than one-third of the cost of undergraduate education.

To date, the Trustees' policy on graduate student fees has not been implemented. State statute currently restricts fee increases at the State University to 10 percent per year. However, the State University has not obtained the Legislative approval that would be necessary to implement this policy and, thereby, raise graduate student fees more than the statutory limit.

The Trustees' budget for 1994-95, which the Trustees approved at their October, 1993 meeting, includes a \$90 differential fee for all graduate students. For undergraduates, the Trustees approved a \$324, or 24 percent, increase in the systemwide fee. For graduate students, the Trustees approved a \$432, or 30 percent, increase in the systemwide fee. However, due to the statutory limit on fee increases, the State University's 1994-95 fee increases are not yet settled. If the Trustees' proposals are approved, the State University will, for the first time, have a differential fee for its graduate students.

**The philosophical
link between
professional
degree programs
and differential
fees**

While California's public universities have little history of differential fees for professional degree programs, the information presented in Sections 2 and 3 of this report make it clear that many other public institutions do. For example, all 14 of the University's comparison institutions with dentistry programs have differential fees for these programs. In addition, these differential fees mean that dentistry students at these institutions are charged, on average, almost twice the fees that academic graduate students are charged.

Commission staff suggest that the establishment of differential fees for students in professional degree programs is largely driven by two factors:

- First, some support of differential fees for professional degree programs stems from the high cost of providing instruction in some professional degree programs. This is especially true for programs in the health sciences. The Commission has acknowledged this high cost in the past by excluding health sciences programs from its calculation of the average prior year instructional expenditures at the University. In addition, on average, the University's comparison institutions with health sciences programs charge the students in these programs much larger differential fees than students in law or business. For example, the average differential fee for dentistry programs is over twice the average differential fee for law programs.

- ♦ In addition, some believe that while both the State and the student benefit from educational programs, the student benefits to a greater extent in some professional degree programs. This stems largely from the high average compensation received by graduates from some professional degree programs. Since graduates of many professional degree programs can look forward to the opportunity to earn substantial wages, many believe that it is reasonable to charge these students differential fees.

While these two factors have played a large role in the establishment of differential fees for professional degree programs in other states, they have had little direct role in setting differential fees. As shown in Display 9 on page 19, most of the University's comparison institutions surveyed set differential fees using a market approach, and do not account directly for the earnings of graduates or the cost of providing instruction to students in these programs.

2

Fees for Selected Professional Degree Programs at The University of California and 23 Comparison Institutions

Differential fees at the University of California

Currently, the University of California assesses its only differential fees under the Regents' Special Fee for Law and Medicine policy. Medical and law students pay a differential fee of \$376 per year, while all other students at the University pay the same systemwide fees. However, since campus-based fees differ by site as well as by student level, total average fees paid by students with the same systemwide fee vary among the campuses.

Resident tuition and fees

The University of California has historically collected information on tuition and fee charges at 23 public institutions, including the four public institutions that the University uses for faculty salary comparisons. Display 1 on page 4 shows the charges that these 23 institutions and the University impose on resident (in-state) students in five selected graduate professional programs -- medicine, dentistry, veterinary medicine, law, and business -- as of 1993-94. This information was collected by the University, which published information on professional program fees only for those professional degree programs included in the Regents' fee policy.

As can be seen from Display 1, not all of the 23 institutions offer all five of the professional programs included in this report. Thus, fee comparisons for each of the professional programs in the following pages are based upon fees only at those institutions with corresponding programs.

Three different issues warrant particular attention regarding differential charges at comparison institutions: (1) the tuition and fees charged for professional degree programs by the 23 comparison institutions and the University of California relative to those charged for other graduate programs at the same institutions, (2) the actual tuition and fees charged for each of the professional degree programs, and (3) the average *increases* in tuition and fees that occurred in these professional degree programs in 1993-94.

1 Differential charges in professional degree programs compared to those in other programs

Differentials between undergraduate and graduate levels. Unlike the California State University and the University of California, which charge the same systemwide fees for all programs (with the exception of law and medicine at the University), many of the University's comparison institutions charge *all* graduate students a differential fee relative to their undergraduate students. On average, the 23 comparison institutions charge their graduate students 22 percent more than

DISPLAY 1 Annual Resident Tuition and Fees for Undergraduate Programs, Graduate Academic Programs, and Five Graduate Professional Programs at the University of California and Selected Comparison Institutions, 1993-94

<u>University</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Veterinary Medicine</u>	<u>Law</u>	<u>Business</u>
University of Colorado (Boulder)	\$2,581	\$3,249	\$9,964	\$6,666		\$4,063	\$3,767
Cornell University (Statutory Colleges)	7,426	8,652			11,582		
University of Illinois (Champaign-Urbana) ^a	3,506	4,016	7,238	5,652	6,440	5,056	5,016
Indiana University (Bloomington)	2,988	3,038	8,219	7,699		4,513	6,722
University of Iowa	2,352	2,764	7,900	5,158		3,784	3,556
Iowa State University	2,352	2,764			5,160		
University of Kansas	1,920	2,328	8,962			2,928	2,328
University of Maryland (College Park)	3,179	4,210	10,273	10,345		7,713	4,535
University of Michigan (Ann Arbor) ^a	5,119	8,003	14,275	11,683		12,475	13,313
Michigan State University	4,470	5,064	9,030		9,202		6,403
University of Minnesota	3,324	3,984	10,659	8,199	7,599	7,023	8,667
University of Missouri (Columbia)	3,125	3,133	10,370	9,589	7,020	6,060	3,133
University of Nebraska (Lincoln)	2,283	2,400	10,398	9,454		3,468	2,400
State University of New York (Buffalo) ^a	3,554	4,806	9,279	9,289		5,839	4,776
University of North Carolina (Chapel Hill)	1,454	1,446	2,420	2,670		1,512	1,996
Ohio State University (Columbus)	2,940	4,266	8,310	6,810	6,810	4,932	
University of Oregon	2,916	4,212				6,964	4,512
Pennsylvania State University	4,822	5,386	15,238				5,386
Purdue University	2,696	2,696			6,760		2,696
University of Texas (Austin)	1,691	2,051	6,827	8,079		4,235	2,051
University of Virginia ^a	4,350	4,350	8,730			7,542	8,600
University of Washington	2,532	3,978	6,480	6,480		3,978	3,978
University of Wisconsin (Madison)	2,540	3,530	11,062		8,109	4,348	4,330
Average Charges at the 23 Institutions	\$3,223	\$3,927	\$9,244	\$7,698	\$7,631	\$5,357	\$4,908
Average Charges at the Four Faculty Salary Comparison Institutions ^b	\$4,132	\$5,294	\$9,881	\$8,875	\$7,838	\$7,728	\$7,926
Average University of California Fees ^c	\$3,727 ^d	\$4,157 ^d	\$4,535	\$3,963	\$3,987	\$4,425	\$4,185

Notes

a University of California public salary comparison institution

b The following institutions are used for tuition and fee comparison purposes for veterinary medicine only: University of Illinois, Michigan State University, University of Minnesota, and University of Wisconsin

c Average of fees charged by each University of California campus having the respective curriculum

d Difference between fees charged undergraduates and graduate students at the University of California is a function of different campus-based charges. Systemwide fees are the same for undergraduate and graduate students

Source: California Postsecondary Education Commission staff analysis of data supplied by the University of California

their undergraduate students, and the four faculty-salary comparison institutions charge their graduate students an average of 28 percent more than undergraduates

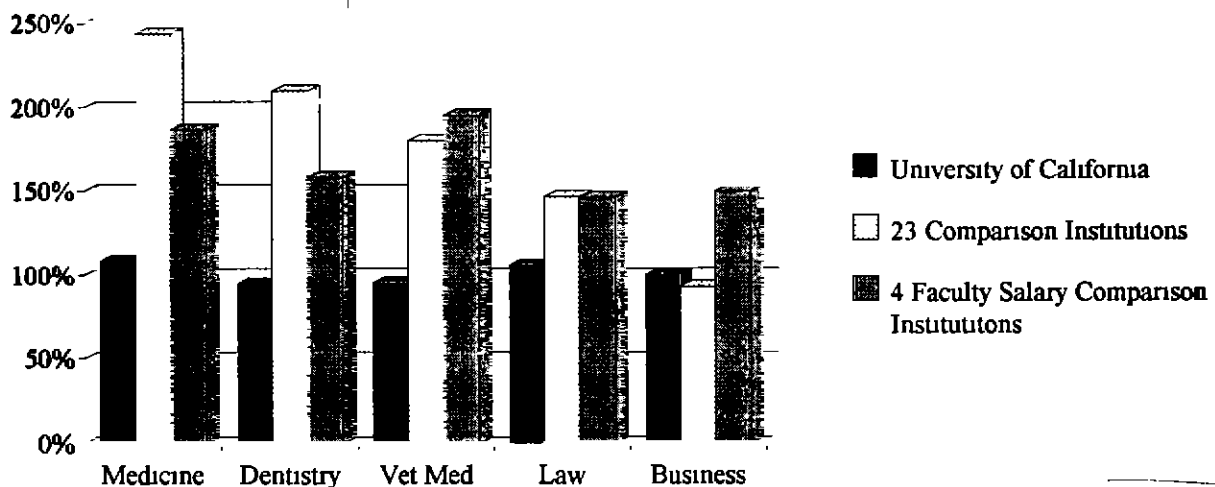
Comparisons in the following paragraphs do not take into account the differential fees that *all* graduate students pay at the University's comparison institutions. Rather, they address differential fees paid by students in the selected professional schools that are not paid by *other* graduate students. Were the comparisons to be made between undergraduate charges and charges paid by students in graduate professional programs, the differential fees paid by students in graduate professional programs would appear to be far larger.

Differentials between academic and professional programs at the graduate level

At the University of California, average fees paid by resident students in the selected professional degree programs in 1993-94 differ little from those paid by graduate students generally -- the University's only differential fee being \$376. The University's policy of charging little or no differential fees for graduate professional programs contrasts sharply with the practice at the comparison institutions. This contrast is illustrated by the fact that the comparison institutions, on average, charge their professional degree students substantially more than does the University, but these same institutions charge their resident graduate students in other programs 6 percent less, on average, than does the University.

Display 2 below shows that the University's 23 comparison institutions generally charge students in the five professional programs higher fees than other graduate students. With the exception of law students at one institution and business stu-

DISPLAY 2 *Average Resident Tuition and Fees in Five Professional Programs as a Percent of Resident Graduate Program Fees at the University of California and Two Comparison Groups of Public Universities, 1993-94*



Source: California Postsecondary Education Commission staff analysis

dents at seven institutions, students in professional programs at the selected 23 public comparison institutions faced tuition and fees levels in 1993-94 that were higher -- and, in many instances, far higher -- than those faced by other graduate students, as witness the following information about the health sciences, law, and business

- ♦ *Health Sciences* All of the comparison institutions with health science programs (medicine, dentistry, or veterinary medicine) charge their resident health science students substantially more than their other graduate students. Medical students at the 19 comparison institutions with medical schools pay, on average, 135 percent more in fees than other graduate students. Dentistry and veterinary medicine students pay 96 percent and 94 percent more, respectively.

As a percentage of graduate student fees, the average differential fees in the health science programs at the four faculty salary comparison institutions are smaller than the differential fees at the broader list of comparison institutions. However, since the faculty salary comparison institutions have higher graduate program fees, the average cost at these institutions is higher than it is at the broader list of comparison institutions. Health science program charges at the faculty salary comparison institutions are at least 48 percent more than graduate academic programs.

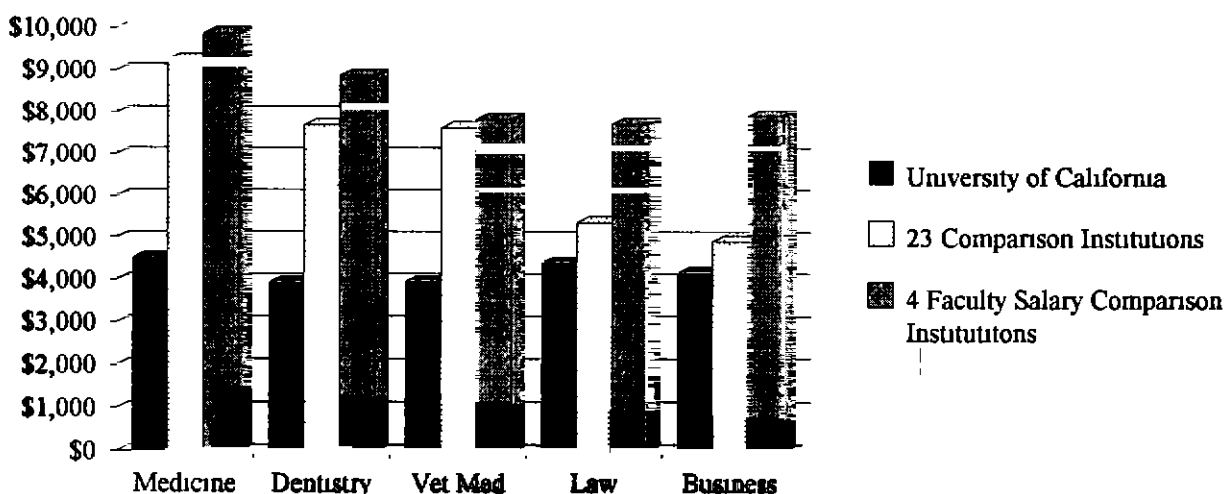
- ♦ *Law* Resident law students face smaller differential fees than students in the health sciences. On average, law program charges at the 18 comparison institutions with law schools are 36 percent higher than those for academic graduate programs. At the four faculty-salary comparison institutions, they are 46 percent higher. At one comparison institution, however, no differential exists for the law program.
- ♦ *Business.* The 20 comparison institutions with business schools differ significantly in their practice of setting differential fees for their business programs. Seven of the 20 charge no differential for their business programs, but the average tuition and fees for business programs at all 20 comparison institutions is 25 percent higher than those in graduate academic programs. Thus, while seven comparison institutions charge no differential fees, the remainder have substantial differential fees for their business programs.

2 Tuition and fee levels in the five selected professional degree programs

Resident students at the University of California studying medicine, dentistry, veterinary medicine, law, and business pay, on average, far less in fees than resident students in the same disciplines at the 23 comparison institutions. Display 3 on page 7 illustrates the gap in fee levels between the University and its comparison institutions for these five professional programs.

Health Sciences Average tuition and fees charged resident medical students by the 19 comparison institutions with medical schools are over twice those charged University of California medical students who are State residents. Only one com-

DISPLAY 3 *Average Resident Tuition and Fees in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities, 1993-94*



Source: California Postsecondary Education Commission staff analysis.

parison institution -- the University of North Carolina at Chapel Hill -- charges lower resident tuition and fees for its medical programs than the University of California. This is so despite medical students at the University paying a \$376 differential fee as well as an increase of 113 percent in University systemwide fees since 1990-91. Average resident tuition and fees at the four faculty salary comparison institutions are close to those charged at the larger group of comparison institutions.

Average charges in the other health sciences programs at the comparison institutions are almost double those at the University of California, while those at the University's four faculty-salary comparison institutions are higher than at the broader group of institutions.

Law: University of California law program charges are much closer to those at comparison institutions than are University health science program charges. However, despite paying a \$376 differential fee, resident law students at the University of California still pay substantially less, on average, than resident law students at the comparison institutions. Average tuition and fees at the 18 public comparison institutions with law schools are over 20 percent higher than fees at the University of California, even though eight of the 18 have lower charges than the University. Average tuition and fees at the four faculty salary comparison institutions (all of which have higher charges than the University of California) are almost 75 percent higher.

Business: The gap between University of California and comparison institution charges for resident business students is similar to that for law students. Average

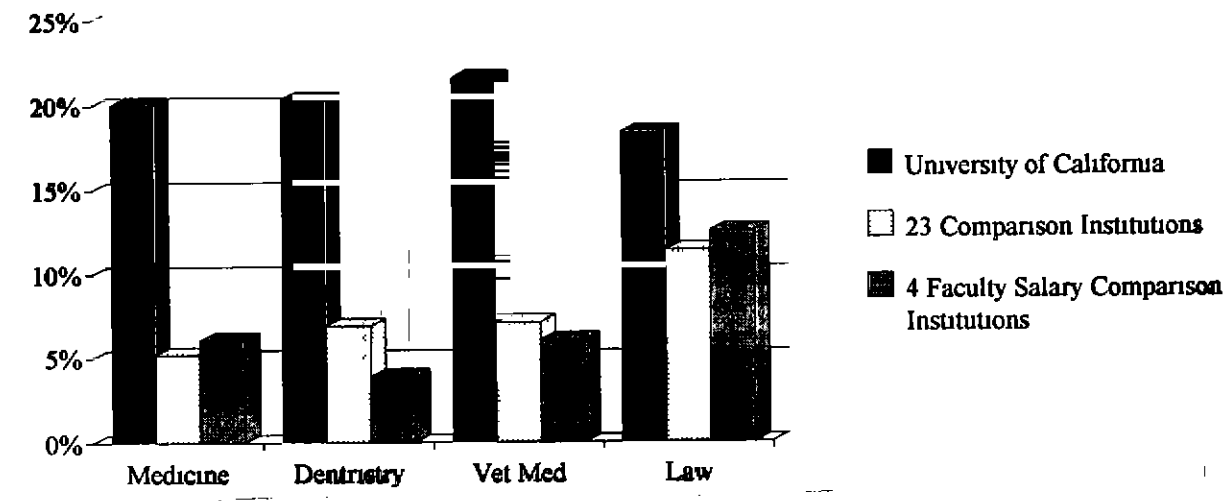
tuition and fees at the 20 comparison public institutions with business schools are 17 percent higher than fees at the University of California. Nine of the comparison institutions have lower charges than the University. Average tuition and fees at the four faculty salary comparison institutions (all of which have higher charges than the University of California) are almost 90 percent higher.

3 1993-94 fee increases

Since the University of California began publishing in 1992-93 in its Regents' Budget information on some professional program charges, increases in the tuition and fees in four programs between 1992-93 and 1993-94 can be calculated. As might be expected, average tuition and fees for resident students among the comparison institutions for graduate students as well as students in the selected professional programs did increase in 1993-94. Display 4 below illustrates the fee increases by discipline and institutional group. As that display shows, increases were not uniform across discipline or institution group.

Increases by discipline: The average fee increases at the comparison institutions for graduate academic programs and health science programs were all similar. However, fees for law programs increased at a substantially higher rate. While average increases for health sciences were between 4 and 7 percent, law schools at the 18 comparison institutions with such schools saw their fees increase by an average of 11 percent, and those at the four faculty-salary comparison institutions saw their fees increase by 13 percent.

DISPLAY 4 *Average Fee Increase for Resident Students in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities, 1993-94*



Source: California Postsecondary Education Commission staff analysis.

Fee increases for University of California students in the selected disciplines were of similar magnitude -- between 18 and 22 percent, due largely to the 22 percent increase in the University's systemwide fee which represents only a portion of the total fee

Increases by institution group. As illustrated in Display 4, for each discipline, average fee increases for the 23 comparison institutions and the 4 faculty-salary comparison institutions were similar. The greatest difference was in dentistry, where the average fee increase among the 23 comparison institutions was 3 percentage points higher than it was at the four faculty salary comparison institutions.

Fee increases at the University of California far exceeded the average increases at the comparison institutions. Fees for graduate students as well as all health sciences students at the University increased at over triple the rate they increased at the four faculty-salary comparison institutions. They increased at over double the rate that they did at the 23 comparison institutions. In law, the rate of increase at the University was closer to those at the comparison institutions. However, despite these large fee increases for 1993-94, University fees are still, on average, far lower than those at comparison institutions.

Nonresident tuition and fees

Like the previous section of this report on resident tuition and fees, this section on nonresident tuition and fees addresses (1) the charges in professional schools at both the University of California and 23 comparison institutions relative to graduate academic charges, (2) the actual tuition and fees charged in the professional programs at these institutions, and (3) average 1993-94 fee increases.

Display 5 on page 10 shows the 1993-94 nonresident fees at the University of California and its comparison institutions. The same general patterns observed in the previous section on resident tuition and fees appear in this section on nonresident tuition and fees.

1 Differential nonresident charges in professional degree programs compared to those in other programs

Differentials between undergraduate and graduate levels. Like the earlier discussion of resident charges, this one does not account for differential fees that some comparison institutions charge *all* graduate students and not undergraduates. Eleven of the 23 comparison institutions actually charge their nonresident graduate students *less* than their nonresident undergraduate students. As a result, on average, these 23 institutions charge nonresident graduate students 1 percent *less* than nonresident undergraduate students. In contrast, the four faculty-salary comparison institutions charge their nonresident graduate students an average of 6 percent *more* than their nonresident undergraduate students. As mentioned earlier, with the exception of law and medicine, California's public university systemwide charges for graduate programs are the same as for undergraduate programs.

DISPLAY 5 Annual Nonresident Tuition and Fees for Undergraduate Programs, Graduate Academic Programs, and Five Professional Programs at the University of California and Selected Comparison Institutions, 1993-94

<u>University</u>	<u>Undergraduate</u>	<u>Graduate</u>	<u>Medicine</u>	<u>Dentistry</u>	<u>Veterinary Medicine</u>	<u>Law</u>	<u>Business</u>
University of Colorado (Boulder)	\$12,087	\$11,763	\$42,017	\$20,147		\$12,537	\$12,303
Cornell University (Statutory Colleges)	14,106	8,652			15,032		
University of Illinois (Champaign-Urbana) ^a	8,018	9,548	19,084	13,726	16,820	12,668	10,548
Indiana University (Bloomington)	9,186	8,306	18,734	15,924		11,990	13,202
University of Iowa	7,740	8,060	19,684	14,784		10,350	8,868
Iowa State University	7,386	7,694			13,560		
University of Kansas	6,538	6,886	18,498			7,486	6,886
University of Maryland (College Park)	8,783	6,910	20,224	21,050		13,456	7,235
University of Michigan (Ann Arbor) ^a	15,681	16,165	23,075	21,197		19,575	19,963
Michigan State University	10,804	9,726	19,236		18,986		12,417
University of Minnesota	9,026	7,569	20,919	12,099	11,199	13,647	13,017
University of Missouri (Columbia)	8,564	8,288	18,326	16,933	13,247	11,948	8,288
University of Nebraska (Lincoln)	5,628	5,418	17,844	17,734		7,413	5,418
State University of New York (Buffalo) ^a	7,454	8,122	17,929	17,939		10,489	8,092
University of North Carolina (Chapel Hill)	8,496	8,488	18,734	16,860		10,328	9,038
Ohio State University (Columbus)	8,871	11,082	23,991	20,814	20,814	12,186	
University of Oregon	9,285	7,680				12,680	8,430
Pennsylvania State University	10,170	10,806	21,430				10,806
Purdue University	8,848	8,848			16,096		8,848
University of Texas (Austin)	5,771	5,171	19,927	18,879		8,155	5,411
University of Virginia ^a	12,254	12,254	19,040			15,650	16,000
University of Washington	7,134	9,963	16,476	16,476		9,963	9,963
University of Wisconsin (Madison)	8,403	10,666	16,013		11,700	11,334	11,466
Average Charges at the 23 Institutions	\$9,141	\$9,046	\$20,588	\$17,469	\$15,273	\$11,770	\$10,310
Average Charges of the Four Faculty Salary Comparison Institutions ^b	\$10,852	\$11,522	\$19,782	\$17,621	\$14,676	\$14,596	\$13,651
Average University of California Fees ^c	\$11,426 ^d	\$11,856 ^d	\$12,234	\$11,662	\$11,686	\$12,124	\$11,884

Notes

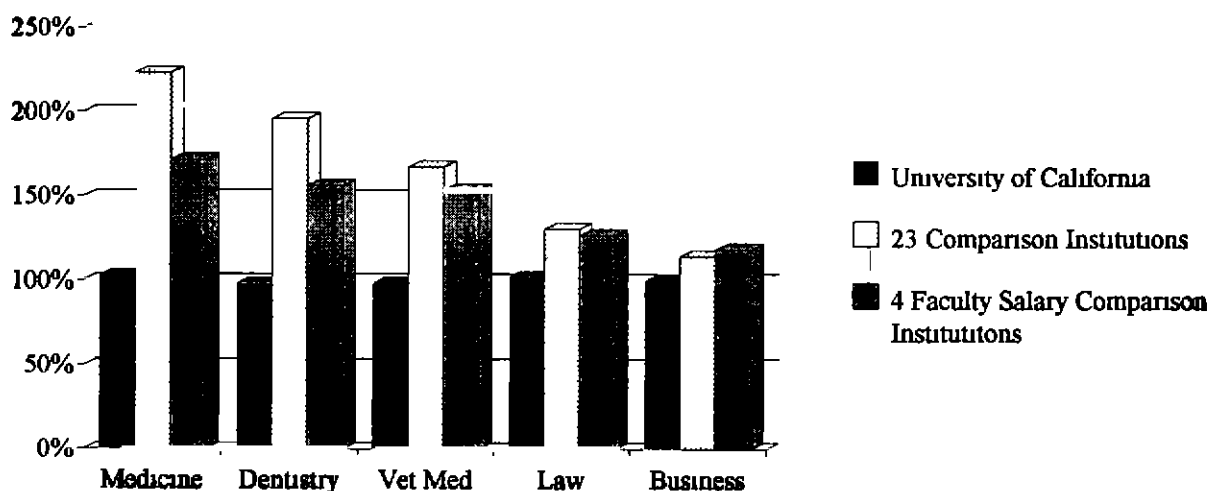
- a University of California public salary comparison institution
- b The following institutions are used for tuition and fee comparison purposes for veterinary medicine only: University of Illinois, Michigan State University, University of Minnesota, and University of Wisconsin
- c Average of fees and nonresident tuition charged by each University of California campus having the respective curriculum
- d Difference between fees charged undergraduates and graduate students at the University of California is a function of different campus-based charges. Systemwide fees are the same for undergraduate and graduate students

Source: California Postsecondary Education Commission staff analysis of data supplied by the University of California

Differentials between graduate academic and professional programs: The following discussion covers only differential fees charged in professional degree programs that are not charged in *other* graduate programs

- *Health Sciences.* The 23 comparison institutions generally charge nonresident students in the selected professional degree programs a differential fee just as they do their resident students. However, the magnitude of these differential fees is not as large as those paid by resident students. As illustrated in Display 6 below, nonresident medical students -- who are charged the highest fees -- pay an average of 128 percent more than nonresident graduate students. Nonresident dentistry and veterinary medicine students pay an average of 93 and 69 percent more, respectively. Nonresident health sciences students at the four faculty-salary comparison institutions are charged between 72 and 27 percent more than nonresident graduate students.
- *Law.* Nonresident law students at the comparison institutions face smaller differential fees than do nonresident health science students. Average tuition and fees for nonresident law students at the 18 comparison institutions with law schools are 30 percent higher than they are for other nonresident graduate students. They are 27 percent higher at the four faculty-salary comparison institutions. On average, despite the \$376 differential fee charged University of California law students, nonresident law students at the University of California are charged only about 2 percent more than other nonresident graduate students.
- *Business.* On average, nonresident business students at the comparison

DISPLAY 6 *Average Nonresident Tuition and Fees in Five Professional Programs as a Percent of Nonresident Graduate Program Fees at the University of California and Two Comparison Groups of Public Universities, 1993-94*



Source: California Postsecondary Education Commission staff analysis.

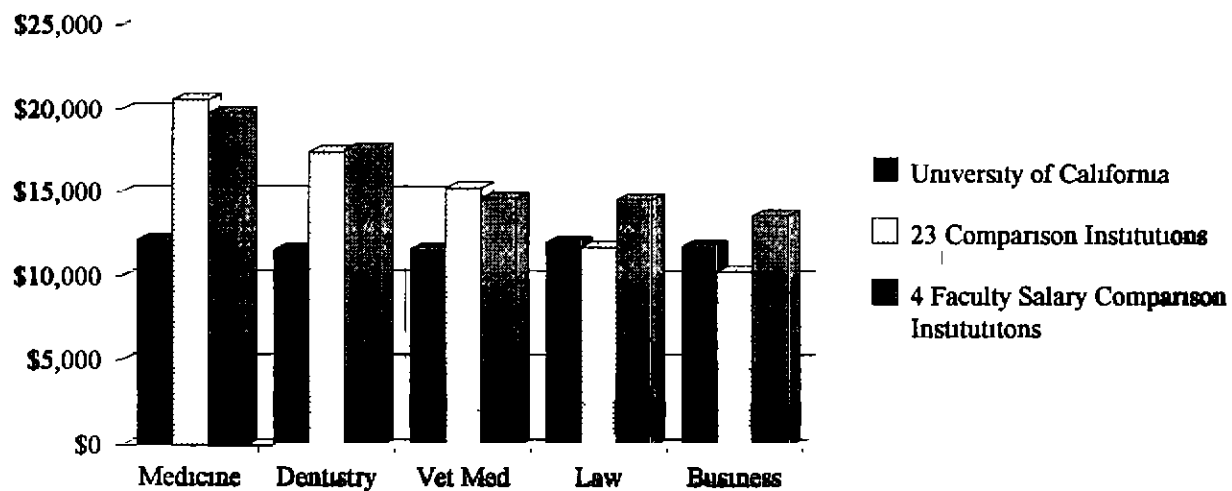
institutions face smaller differential fees than nonresident students in any of the other selected professional programs. Average tuition and fees for nonresident business students at the 20 comparison institutions with business schools are 14 percent higher than they are for other nonresident graduate students. They are 18 percent higher at the faculty-salary comparison institutions.

2 Tuition and fee levels in the five selected professional degree programs

Nonresident medical and law students in California are subject to the same differential fees as resident students -- \$376 per year. However, nonresident tuition and fees in California are generally closer to those at comparison institutions than are resident tuition and fees.

Health Sciences Nonresident health sciences students attending the University of California are charged substantially less than they would be charged at the comparison institutions, as illustrated in Display 7 below. For example, nonresident tuition and fees at the 19 comparison institutions with medical schools are, on average, 68 percent higher than those charged medical students at the University of California. Average nonresident tuition and fees for medical students at the four salary comparison institutions are 62 percent higher than they are at the University of California. The gaps between nonresident tuition and fees at the University of California and those at the comparison institutions are somewhat smaller for dentistry and veterinary medicine programs. Nonresident dentistry students pay, on average, 50 percent more at the comparison institutions and 51 percent more at the faculty salary comparison institutions. Nonresident veterinary medi-

DISPLAY 7 *Average Nonresident Tuition and Fees for 1993-94 in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities*



Source: California Postsecondary Education Commission staff analysis.

cine students pay, on average, 31 percent more at the comparison institutions and 26 percent more at the faculty-salary comparison institutions

Law: Nonresident tuition and fees for University of California law students are far closer to those at comparison institutions than are those paid by health sciences students. Nonresident charges for the 18 comparison institutions with law schools are 3 percent *less* than they are at the University. Those at the four faculty-salary comparison institutions are 20 percent more than for nonresident students attending University of California law schools.

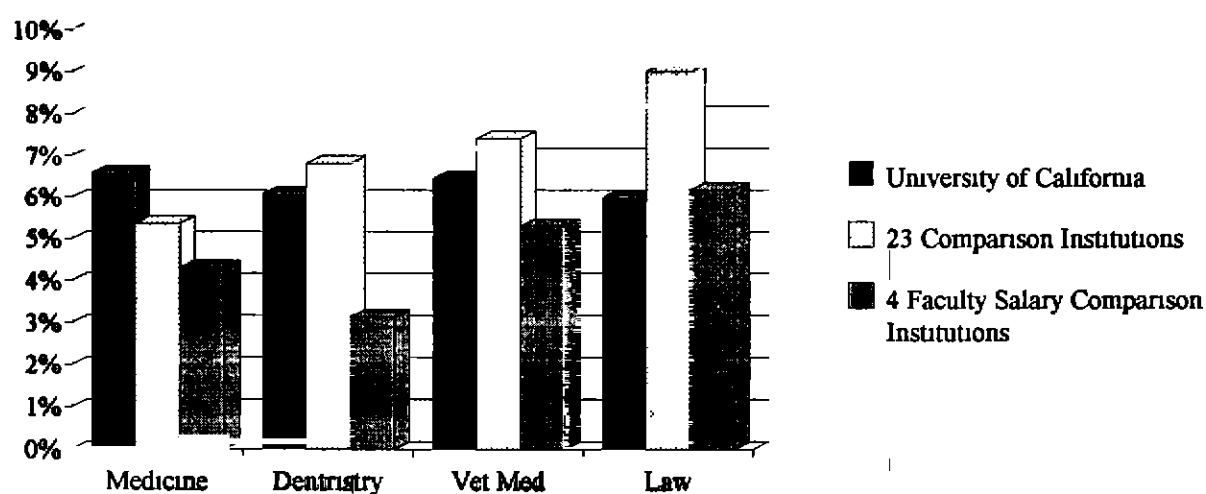
Business: Like nonresident law school fees, nonresident business school fees at the University of California are relatively close to those at comparison institutions. Nonresident business students at the 20 comparison institutions with business schools pay, on average, 13 percent less than nonresident business students at the University of California. Nonresident business students at the four faculty-salary comparison institutions pay 15 percent more.

3 1993-94 fee increases

Like resident student tuition and fees, nonresident student tuition and fees climbed for 1993-94. However, the increases in nonresident tuition and fees were generally more moderate.

Increases by discipline: The tuition and fee increases in 1993-94 for nonresident students were generally quite consistent across the five fields (Display 8, below).

DISPLAY 8 *Average Nonresident Fee Increases in Five Professional Programs at the University of California and Two Comparison Groups of Public Universities, 1993-94*



Source: California Postsecondary Education Commission staff analysis.

However, for both the 23 comparison institutions and the four faculty-salary comparison institutions, the highest average fee increases were in law. The average increases were 9 and 6 percent respectively. This is consistent with the pattern found for resident students, although the percentage increases for nonresident students is smaller. Fee increases at the University of California in the selected disciplines were of similar magnitude -- all between 6 and 7 percent.

Increases by institution group As illustrated in Display 8 on the previous page, average fee increases for the 23 comparison institutions and the four faculty-salary comparison institutions were similar. As was the case with resident charges, the greatest difference was in dentistry, where average charges at the 23 comparison institutions went up 7 percent and average charges at the four faculty-salary comparison institutions went up 3 percent. At both the 23 comparison institutions and the four faculty salary comparison institutions, the largest increases were in law. Fee increases at the University of California were generally very consistent with those at comparison institutions.

Policies used to set differential fees

So far, this report has shown that all of the University of California's comparison institutions charge students in some, if not all, of their professional degree programs a differential fee and that many of the differential fees are substantial. For example, the 19 comparison institutions with medical schools charge their medical students on average 144 percent of the charges faced by their graduate students in academic fields.

In an effort to identify how these comparison institutions of the University set their differential fees, staff of the University and the Commission have gathered the information shown in Display 9 on the opposite page. That display shows four primary factors, which are not in every case mutually exclusive, that contribute to the setting of differential fees:

- ♦ *Market assessment* Differential fees at the comparison institutions are most frequently based, at least in part, on some market assessment, meaning that they are set based upon either the fees at a set of designated peer institutions or an assessment of what the "market will bear."
- ♦ *Legislative decision.* At a substantial number of institutions, the setting of differential fees is, in part, politically driven. In these states, the legislatures must approve the differential fees, and fee levels are a compromise between those who want to maximize fee revenues and those who want to keep fees as low as possible.
- ♦ *Programmatic needs* At several institutions, differential fees were a function of specific programmatic enhancements, such as increasing the number of faculty or purchasing additional equipment. In these cases, part, if not all, of the increased fee revenue remains with the program whose students pay the added fee.
- ♦ *Cost of instruction* A few institutions reported setting fees based on the cost of instruction. One institution set fees based upon cost of instruction for all

DISPLAY 9 Policies That Comparison Institutions of the University of California Use to Set Professional School Fees

University of Illinois Differential fees have been related to specific programmatic proposals as well as the “market” of selected comparison institutions

Indiana University Differential fees are based on the “market” of selected comparison institutions

University of Iowa. Differential fees are based, in part, on fees at peer institutions

Iowa State University. Differential fees are based on other institutions and what the “market” will bear

University of Kansas Differential fees in law are set to meet specific programmatic needs Health sciences fees are set based on those at designated comparison peer institutions

University of Maryland Although methods vary by school, tuition and fees are generally set based upon surveys of tuition and fees at other institutions

University of Michigan Fees are based on what the “market” will bear

Michigan State University Increases are to be no greater than inflation but charges at other institutions are also considered

University of Minnesota By statute, tuition is supposed to cover one-third of the cost of instruction and in some cases charges cover about 40 percent

University of Nebraska Fees are intended to cover the difference between cost and legislative appropriations Thus, fees are set as a result of political actions and compromise

University of North Carolina The Legislature sets fees based, in part, upon fees charged in other states

University of Oregon Differential fees have historically been set to meet specific programmatic needs and an assessment of what the “market” would bear Annual increases have been the result of political decision-making

Pennsylvania State University Tuition and fees are based, in part, upon fee information from surrounding states

Purdue University Fees are set relative to peer institutions

University of Texas, Austin Fees are set by the Legislature, so fees are largely the result of political decisions

University of Washington Charges for graduate students, including business and law students, are to cover one-third of their cost, and health science charges are to equal 150 percent of graduate charges

University of Wisconsin Tuition and fees are based largely on fees at a number of comparison institutions

Source University of California and California Postsecondary Education Commission staff surveys of institutions

graduate students, while another set fees for all graduate students except health sciences students based upon the cost of instruction and set health sciences charges at one and one-half times that of other graduate students

3

Fees for Selected Professional Programs at the California State University and 15 Comparison Institutions

THE campuses of the California State University have only one of the professional degree programs for which the University of California gathered data. Nineteen of the State University's 20 campuses have graduate business programs. Display 10 below lists resident and nonresident fees for graduate business and graduate academic programs at the State University and its 15 public faculty-salary comparison institutions. This information was compiled by Commission staff.

DISPLAY 10 Average 1993-94 Resident and Nonresident Tuition and Fees for Students in Graduate Academic and Business Programs at the California State University and Its Public Faculty-Salary Comparison Institutions

<u>Institution</u>	<u>Resident Tuition and Fees</u>		<u>Nonresident Tuition and Fees</u>	
	<u>Graduate Academic</u>	<u>Graduate Business</u>	<u>Graduate Academic</u>	<u>Graduate Business</u>
Arizona State University	\$1,810	\$1,810	\$7,316	\$7,316
Cleveland State University	3,819	3,819	7,635	7,635
University of Colorado	3,564	3,564	10,382	10,382
University of Connecticut	5,111	5,111	11,951	11,951
Georgia State University	1,650	1,650	5,196	5,196
George Mason University	1,944	1,944	5,025	5,025
Illinois State University	2,633	2,633	6,641	6,461
University of Maryland, Baltimore County	5,186	5,186	8,426	8,426
University of Nevada, Reno	1,960	1,960	6,260	6,260
State University of New York, Albany	4,142	4,142	7,458	7,458
North Carolina State University	1,498	1,498	8,540	8,540
Rutgers The State University of New Jersey, Newark	5,510	7,544	7,786	10,768
University of Texas, Arlington	1,424	1,872	4,508	5,138
Wayne State University	3,380	3,380	7,148	7,148
University of Wisconsin, Milwaukee	2,114	2,164	5,649	5,699
Average of Comparison Institutions	\$3,050	\$3,218	\$7,328	\$7,572
Average Fees at the California State University	\$1,674	\$1,674	\$9,051	\$9,051

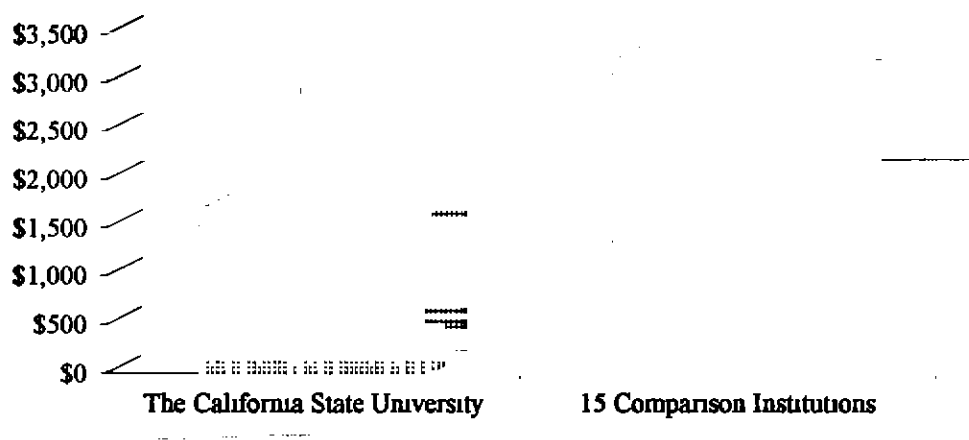
Source: California Postsecondary Education Commission staff survey.

Resident fees For 1993-94, resident fees at the State University for all programs, including graduate business programs, average \$1,674. The State University charges its business students no differential fee. Thirteen of the State University's 15 faculty salary

comparison institutions follow this same policy. Only two comparison institutions have a differential fee for their business programs, resulting in average resident charges among the comparison institutions for graduate business programs that are only 6 percent higher than average charges for academic graduate programs. In contrast, among the University of California's comparison institutions, resident business program charges are, on average, 25 percent higher than the average charges for academic graduate students.

As Display 11 below illustrates, graduate fees at the State University are, on average, significantly lower than they are at the State University's faculty-salary comparison institutions. Business program charges at the State University are 48 percent less than they are, on average, at the State University's comparison institutions. Only one comparison institution has fees lower than the State University. In addition, resident graduate business program fees at the State University are less than half those at the University of California.

DISPLAY 11 *Average Resident Tuition and Fees for Students in Graduate Business Programs at the California State University and Its 15 Public Faculty-Salary Comparison Institutions, 1993-94*



Source: California Postsecondary Education Commission staff analysis.

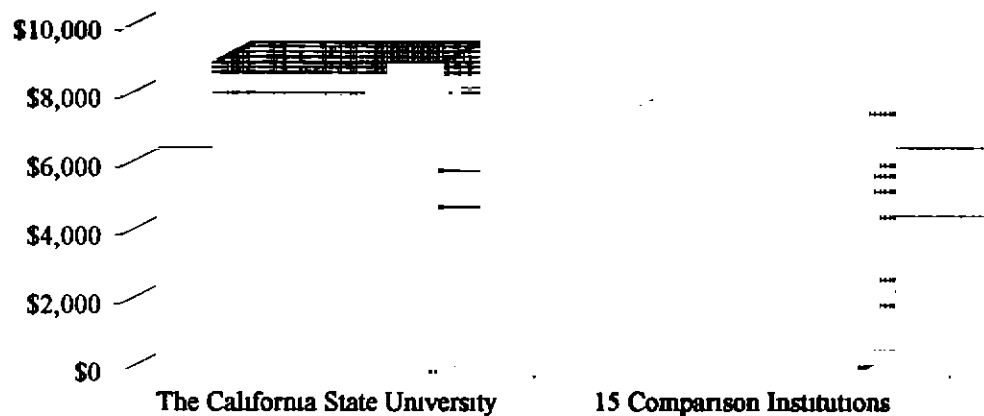
Nonresident fees Nonresident fees for 1993-94 at the State University for all programs, including graduate business programs, average \$9,051. Consistent with policies on resident fees, the State University and 13 of its 15 public faculty salary comparison institutions have no business program differential fee. Only two comparison institutions have a differential fee for their business programs, resulting in average nonresident charges among the comparison institutions for graduate business programs that are only 3 percent higher than average charges for academic graduate programs.

As is the case with resident fees, for nonresident fees the magnitude of the differ-

ential fee charged by the University of California's comparison institutions is far greater

While the State University's resident fees tend to be lower than those at the comparison institutions, the State University's nonresident fees are, on average, much higher, as illustrated in Display 12 below. Graduate business program charges at the State University are, on average, 20 percent higher than they are at the comparison institutions. They average \$9,051, compared to \$7,572 at the comparison institutions. Only two of the comparison institutions have higher nonresident fees for their graduate business programs than the State University.

DISPLAY 12 *Average Nonresident Tuition and Fees for Students in Graduate Business Programs at the California State University and Its 15 Public Faculty-Salary Comparison Institutions, 1993-94*



Source: California Postsecondary Education Commission staff analysis.

4

Policy Questions, Options, and Directives

Should the Commission support differential fees for professional degree programs?

In its decision on professional degree program fees, the Commission must first consider the question of whether to support differential fees for these programs

Arguments for The instructional expenditures for many professional degree programs are higher than they are in many other programs due to high instructional support costs. Instructional expenditures in the health sciences are so high that they are excluded from the calculation of university-wide prior-year instructional expenditures per student that provide the basis for the Commission's policy on undergraduate fees at California's public universities. Given the relatively high cost of instruction in many professional degree programs, it may be appropriate to establish differential fees for these programs.

In addition, graduates of many professional degree programs enter relatively lucrative professions, and it may be reasonable to conclude that these individuals should pay higher fees while in school in anticipation of future earnings. Given the fiscal difficulties facing the State of California and the likelihood of little substantial increase in State support for the State's public universities in the foreseeable future, pressures to increase student fees at all levels will remain. Since graduates of some professional degree programs have opportunities for high earnings, and the cost of providing instruction to them tends to be high, it may make sense for them to bear a larger share of fees and fee increases, if the alternative is to ask all students -- many of whom cannot expect the same opportunities for lucrative employment upon completion of their education -- to pay the same fees and fee increases.

Arguments against While the graduates of professional schools have opportunities for relatively lucrative jobs, not all graduates wish to pursue those positions. Imposing differential fees and risking increased debt burdens for students in professional programs may drive their graduates away from taking public-interest positions or positions with nonprofit organizations. In addition, California has a long tradition of charging almost all of its students within each higher education segment the same systemwide fee. The only exceptions to this in the past have been medical and law students at the University of California who, since 1990-91, have paid a differential fee of \$376.

What disciplines should be included in a professional degree differential fee policy?

If the Commission supports the concept of differential fees for professional degree programs, then an additional question to address is what programs should be covered by such a policy. The decision of what programs to include does not, of course, imply a lack of professionalism among students or programs not included in such a policy.

No simple definition of a professional degree program is universally accepted. For example, in defining professional degree programs for the State Postsecondary Review Entity (SPRE) program, the U.S. Department of Education built upon an existing list of ten first-professional degree programs used by postsecondary institutions in submitting information to the Department for its Integrated Postsecondary Education Data System (IPEDS): chiropractic, dentistry, law, medicine, optometry, osteopathic medicine, pharmacy, podiatry, theology, and veterinary medicine.

The University of California grants degrees in six of those first-professional programs -- dentistry, law, medicine, optometry, pharmacy, and veterinary medicine. However, the professional degree fee policy that the Regents adopted at their January 1994 meeting does not include optometry and pharmacy, but it does include graduate business administration, which is not designated as first-professional by IPEDS. The California State University does not grant degrees in any of the first-professional programs included in the University's policy, but does offer master's degrees in business administration.

Thus far, this report has focused on differential fees in medicine, dentistry, veterinary medicine, law, and business primarily because the University of California has collected comparative information on those disciplines. However, consideration of differential fees for professional degree programs need not be limited to these programs.

What policy should determine differential fees for professional degree programs?

If the Commission decides to support differential fees for professional degree programs, it must decide among at least five policy options for setting those fees -- (1) assess a flat differential fee, (2) set differential fees based on charges at comparison institutions, (3) establish a percentage surcharge on systemwide fees determined in accordance with the Commission's current policy on setting undergraduate fees at California's public universities, (4) set professional degree program fees as a percentage of State prior-year per-student instructional expenditures for those particular programs, and (5) adjust fees based on the State's human capital production needs.

1. Assess a flat differential fee.

This option involves setting a flat fee for designated professional degree programs at a level different from that for other programs in order, for example, to generate a given level of fee revenue.

Arguments for This option could be used to address needs for revenue that result from increasing costs and declining or relatively flat State General Fund support for higher education. A broad consensus exists in California that even with economic recovery structural problems with the State's budgeting process will likely mean that, in the foreseeable future, the State cannot support higher education to the same extent that it did prior to the State's current economic difficulties. This option could help to mitigate some of the impact of the new fiscal environment of the State.

Arguments against. This option is inconsistent with several of the fee policy principle already adopted by the Commission. To the extent that it is driven by the need to generate a given level of revenue, it is inconsistent with the Commission's principles that (1) student fees should not be used simply to fill budgetary gaps caused by reductions in State General Fund support and (2) that fee increases should be predictable.

2 Set differential fees based on charges at comparison institutions

This option is effectively market-driven, with differential fees being a function of the charges in the designated programs at a specified set of peer institutions. Differential fees could be capped -- for example -- at 100 or 110 percent of the average fee at a designated set of comparison institutions. The policy on differential fees recently adopted by the Regents of the University is of this type: it calls for fees for each designated professional program to be similar to those at comparison institutions. Since the average differential fees for the various programs differ, this option would result in varying differential fees depending upon the program.

Arguments for. Once such a policy is adopted and a set of peer institutions is identified, it becomes relatively clear and straight forward, and would likely result in a stable and predictable level of fee increases, as called for in the Commission's fee policy principles.

Arguments against. This policy would be inconsistent with the Commission's policy on undergraduate charges at the State University and University, which bases student fees on an average prior-year per-student instructional expenditure and adjusts them thereafter based on the lesser of (1) the change in the prior-year per-student instructional expenditures or (2) the average of the changes in the Consumer Price Index and personal per-capita income. In its deliberations on that fee policy, the Commission rejected setting fees based upon those at comparison institutions. It argued that the market for students is not national in the same way that the market for faculty is, and that California should not have a fee policy that makes its student fee increases simply a function of the policies of other states, since the situation in other states is likely different from that in California.

3 Establish a percentage surcharge on systemwide fees determined in accordance with the Commission's current policy on setting undergraduate fees at California's public universities

This option would build upon the policy adopted by the Commission for setting undergraduate students fees at the State's public universities. Under this option, a differential fee would be set as a percentage of the systemwide undergraduate fee set in accordance with Commission policy. This policy bases fees on the State's prior-year instructional expenditures per full-time-equivalent student for all students except in the health sciences, which is calculated with no distinction for students at different levels or in different programs. For example, a differential fee could be set at no more than 30 percent above the regular systemwide under-

graduate fee, which the Commission has recommended be set at a base level of no more 40 percent of the State's prior-year instructional expenditures per full-time-equivalent student at the University and no more than 30 percent at the State University. Under this option, differential fees need not be the same for all professional degree programs. Various programs could charge a differential fee that reflects different percentages of the systemwide base fee.

Arguments for This policy would likely result in a stable and predictable level of fee increases, as called for in the Commission's fee policy principles. It also builds upon the Commission's existing recommendations on student fee policy.

Arguments against This option sets fees for a small number of professional programs based upon the State's prior-year expenditures per student which combined all instructional levels and programs, except health sciences. As such, the calculation has little, if any, direct link to the instructional costs for these programs. Since graduate education tends to be more costly than undergraduate education and some professional degree programs are especially costly, the overall instructional expenditures used to set undergraduate fees would likely be a poor indicator of the expenditures per student for those professional programs included in this option. In addition, since the health science programs are the only programs that are not included in calculating the prior-year expenditures per full-time-equivalent student used in the Commission's policy to set undergraduate fees, the results of this calculation would have no relation to the expenditures per full-time-equivalent student for medical programs.

4. Set professional degree program fees as a percentage of State prior-year per-student instructional expenditures for each of those programs.

This option would base fees for each professional degree program on the actual prior-year instructional expenditures for that program rather than as a percent of instructional expenditures for all programs. Prior-year instructional expenditures for each of these programs would be calculated and fees would be set at a designated percentage of these expenditures. Since these programs would each have different prior-year instructional expenditures per student, this policy would presumably lead to different fee levels for each of the professional degree programs.

Arguments for This option would provide a direct relationship between the actual instructional expenditure levels for professional degree programs and the fees for these programs, in contrast to Option 3, which would tie professional degree program fees to instructional expenditure levels in general and would have little, if any, relation to the instructional expenditure levels in a professional degree program.

Arguments against This option is inconsistent with the Commission's existing undergraduate fee policy, which bases fees on university-wide instructional expenditures rather than on those expenditures for specific programs. In addition, the information on expenditures by program that would be required to implement this policy may be difficult to obtain.

5. Adjust fees based on the State's human capital production needs

Under this option, fees could be adjusted depending on the statewide needs for graduates of certain programs or fields of study. Thus, charges for studying in fields in which the State has a need for graduates would be lower than the charges for studying in fields where the State has little need for additional graduates.

As may be obvious, this option is not a stand-alone policy for setting fees for professional degree programs, but rather is an added approach that could be adopted in tandem with any of the four options presented above.

Arguments for The largest benefit of this option is that it would allow the State to focus its limited resources in those areas where it has the greatest need for graduates. This benefit is especially important now, given the fiscal constraints that higher education in California faces.

Arguments against Implementing this option would require the development of some mechanism for identifying California's human capital production needs and revising those needs on a periodic basis. It could also create confusion among students in different fields who are studying at the same level but are required to pay different fees.

An alternative approach to this issue using financial aid has been implemented on a small scale in California -- the Assumption Program of Loans for Education (APLE) that is administered by the Student Aid Commission. This program is aimed at students who teach in subject-shortage areas or in underserved areas of the State. It provides incentives to students to enter designated professions while avoiding some of the difficulties outlined above, such as confusion over different fees for different programs.

What information is needed to decide among the options?

Currently, the Commission is focusing its attention on both Option 3 -- establishing a percentage surcharge on systemwide fees determined in accordance with the Commission's current policy on setting undergraduate fees at California's public universities -- and Option 4 -- setting fees as a percentage of State prior-year instructional expenditures per full-time-equivalent student for those professional degree programs. These two options are most consistent with the Commission's policy that undergraduate student fees at California's public universities be based, at least initially, on prior-year instructional expenditures per student. In addition, they are most consistent with the principles adopted by the Commission in June 1993 to guide consideration of all student fee policy. For example, they are both based on the principle that students, their families, and society share in the responsibility for financing the costs of a college education, that increases in student charges should not increase simply to make up for reductions in General Fund support, and that increases in student fees should be predictable in order to allow students to plan to meet educational expenses.

So far, however, the Commission lacks the information it needs to estimate fee levels that could result from these and other options -- specifically, facts about

prior-year expenditures per full-time-equivalent student at the undergraduate and graduate-student levels and for professional degree programs

In order to obtain additional information to assist the Commission in adopting a policy on professional degree programs, the Commission hereby directs its staff to undertake the following activities

1. **Consult with representatives of the California State University and the University of California to develop a mutually-agreed upon methodology for determining prior-year expenditures per full-time-equivalent student at the undergraduate and graduate-student levels and for professional degree programs.**
2. **Once this methodology is determined, consult with representatives of the State University and the University to gather this expenditure information expeditiously, in time for its presentation at the Commission's December 1994 meeting.**
3. **Develop added information and options to present to the Commission to assist it in determining which programs to include in a professional degree program policy.**
4. **Continue to obtain information on fees at comparable institutions when possible.**
5. **Continue to develop a long-term comprehensive student financial aid policy that addresses the needs of students enrolled in professional degree programs.**

Regarding this fifth directive, the Commission has articulated its belief in the importance of linking fee policy with financial aid policy. Given escalating fees and the prospect that fees will continue to increase in the foreseeable future, the Commission has adopted the position that effective student financial aid programs are imperative if the State is to ensure that all Californians have equal access to educational opportunities.

As a part of its continuing activities on fee and financial aid policy, the Commission is developing recommendations on a long-term financial aid policy for publication this fall. This policy will include a component addressing financial aid for graduate professional students. This aid should be adequate to ensure that students lacking the financial resources to pay professional school fees are not prevented from pursuing their educational or professional aspirations, despite differential fees.

Although the Commission has yet to offer recommendations on long-term financial aid policy for the State, it notes that borrowing to meet educational costs is generally easier for graduate professional students than it is for undergraduates, for several reasons. First, graduate students are eligible to borrow more than undergraduates. Second, given the potential earnings of graduates of many professional degree programs, these graduates should be in relatively stronger positions

to repay their loans. And even for those students who wish to accept relatively low-paying positions, many who borrow under the federal student loan programs may now select an income-contingent loan repayment option under which payments on their student loan debts are a function of their income -- thus helping keep their debt payments manageable.

CALIFORNIA POSTSECONDARY EDUCATION COMMISSION

THE California Postsecondary Education Commission is a citizen board established in 1974 by the Legislature and Governor to coordinate the efforts of California's colleges and universities and to provide independent, non-partisan policy analysis and recommendations to the Governor and Legislature.

Members of the Commission

The Commission consists of 17 members. Nine represent the general public, with three each appointed for six-year terms by the Governor, the Senate Rules Committee, and the Speaker of the Assembly. Six others represent the major segments of postsecondary education in California. Two student members are appointed by the Governor.

As of April 1995, the Commissioners representing the general public are

Henry Der, San Francisco, *Chair*
Guillermo Rodriguez, Jr., San Francisco, *Vice Chair*
Elaine Alquist, Santa Clara
Mim Andelson, Los Angeles
C. Thomas Dean, Long Beach
Jeffrey I. Marston, San Diego
Melinda G. Wilson, Torrance
Linda J. Wong, Los Angeles
Ellen F. Wright, Saratoga

Representatives of the segments are

Roy T. Brophy, Fair Oaks, appointed by the Regents of the University of California,
Yvonne W. Larsen, San Diego, appointed by the California State Board of Education,
Alice Petrossian, Glendale, appointed by the Board of Governors of the California Community Colleges,
Ted J. Saenger, San Francisco, appointed by the Trustees of the California State University,
Kyhl Smeby, Pasadena, appointed by the Governor to represent California's independent colleges and universities, and
Frank R. Martinez, San Luis Obispo, appointed by the Council for Private Postsecondary and Vocational Education.

The two student representatives are
Stephen Leshner, Meadow Vista
Beverly A. Sandeen, Costa Mesa

Functions of the Commission

The Commission is charged by the Legislature and Governor to "assure the effective utilization of public postsecondary education resources, thereby eliminating waste and unnecessary duplication, and to promote diversity, innovation, and responsiveness to student and societal needs."

To this end, the Commission conducts independent reviews of matters affecting the 2,600 institutions of postsecondary education in California, including community colleges, four-year colleges, universities, and professional and occupational schools.

As an advisory body to the Legislature and Governor, the Commission does not govern or administer any institutions, nor does it approve, authorize, or accredit any of them. Instead, it performs its specific duties of planning, evaluation, and coordination by cooperating with other State agencies and non-governmental groups that perform those other governing, administrative, and assessment functions.

Operation of the Commission

The Commission holds regular meetings throughout the year at which it debates and takes action on staff studies and takes positions on proposed legislation affecting education beyond the high school in California. By law, its meetings are open to the public. Requests to speak at a meeting may be made by writing the Commission in advance or by submitting a request before the start of the meeting.

The Commission's day-to-day work is carried out by its staff in Sacramento, under the guidance of its executive director, Warren Halsey Fox, Ph.D., who is appointed by the Commission.

Further information about the Commission and its publications may be obtained from the Commission offices at 1303 J Street, Suite 500, Sacramento, California 95814-2938, telephone (916) 445-7933.

PROFESSIONAL DEGREE PROGRAM FEES

A Report of the California Postsecondary Education Commission

Commission Report 94-9



ONE of a series of reports published by the California Postsecondary Education Commission as part of its planning and coordinating responsibilities. Single copies may be obtained without charge from the Commission at 1303 J Street, Suite 500, Sacramento, California 95814-2938. Recent reports include

- 93-21 *Who Will Take Responsibility for the Future of California Higher Education? A Statement by Clark Kerr to the California Postsecondary Education Commission, October 25, 1993* (October 1993)
- 93-22 *Creating a Campus for the Twenty-First Century ♦ The California State University and Fort Ord* (October 1993)
- 93-23 *Restabilizing Higher Education: Moderating the Impact on California's College Students and the State's Future from Cutting State Support for Higher Education by \$1.4 Billion Over the Past Three Years. Report of the Executive Director of the California Postsecondary Education Commission, December 1993* (December 1993)
- 93-24 *The State of the State's Educational Enterprise: An Overview of California's Diverse Student Population* (December 1993)
- 94-1 *Legislative and State Budget Priorities of the Commission, 1994: A Report of the California Postsecondary Education Commission* (January 1994)
- 94-2 *Good Works: The Impact of the Human Corps on California's Public Universities: An Evaluation for the Legislature of the Effects of Assembly Bill 1820 (Chapter 1245, Statutes of 1987)* (April 1994)
- 94-3 *A Western Compact: A Report on California's Continued Membership in the Western Interstate Commission for Higher Education (WICHE)* (April 1994)
- 94-4 *Faculty Salaries in California's Public Universities, 1993-94: A Report to the Legislature and the Governor in Response to Senate Concurrent Resolution No. 51 (1965)* (April 1994)
- 94-5 *Progress on Regional Academic Planning: A Staff Report to the Commission in Response to the First in a Series of Joint Reports on Regional Academic Planning by California's Public Systems of Higher Education* (April 1994)
- 94-6 *Progress on College and University Assessments of Campus Climate: A Staff Report to the California Postsecondary Education Commission* (April 1994)
- 94-7 *Will the "Three Strikes" of (1) Escalating Prison Costs, (2) An Inflexible State Budget, and (3) Frozen State Revenues Strike Down Your Children's College Chances? A Message to Every Californian from Warren Halsey Fox, Executive Director, California Postsecondary Education Commission* (April 1994)
- 94-8 *Breaking Camp — Building a Campus: The Commission's Analysis of the Proposal to Create California State University, Monterey Bay, at Fort Ord* (June 1994)
- 94-9 *Professional Degree Program Fees: A Report of the California Postsecondary Education Commission* (June 1994)
- 94-10 *California's Associate Degree Programs for Preparing Licensed Teacher Assistants: A Report to the Legislature in Response to Senate Bill 156 (Chapter 1345, Statutes of 1989)* (June 1994)